

## REGENCE ADMINISTRATIVE SERVICES CONTRACT ASC FEE SCHEDULE ADDENDUM

The Parties to the Administrative Services Contract (ASC) hereby agree to the terms of this ASC Fee Schedule Addendum which is incorporated as part of the Agreement.

**Plan Sponsor:** SAN JUAN COUNTY

**Self-Funded Group Health Plan (GHP):** SAN JUAN COUNTY

**Regence Plan:** Regence BlueCross BlueShield of Utah

**Original ASC Effective Date:** January 1, 2019

**Regence Group #:** 10040282

**Term:**

The term of the contract will commence on January 1, 2021 and will end on December 31, 2021.

**Enrollment Assumption:**

Number of Regence enrolled subscribers: 129

**Paid Claims Administration Information**

- a) Contract Period: Claims paid from January 1, 2021 and will end on December 31, 2021.
- b) Claims incurred prior to the original ASC effective date are excluded from coverage.
- c) Claims incurred after the ASC termination date are excluded from coverage.
- d) Line(s) of coverage administered by Regence: Medical/Rx/Vision

**Claims Processing and Payment Information**

- a) Advance deposit required? No
- b) Claims call frequency and payment shall occur weekly.
- c) Claims payment method is ACH Pull (Regence initiates).
- d) Upon notification by Regence, the Plan Sponsor shall make funds available to Regence within 2 business days.

**Claims Adjudication and Appeals Designation**

Plan Sponsor delegates entire member appeals process to Regence.

**Fees**

<b>a) Claims Administration Fees</b>	<u>Per Subscriber Per Month</u>
Medical/Rx	\$45.97
Vision	\$1.95

<b>b) Commission Only</b>	
Medical/Rx	\$0.00

**c) Program(s) and Other Fees**

**d) Service Fees Charged by Regence to Plan Sponsor**

**Cost Containment Services**

Coordination of Benefits	Included in administrative fee
Subrogation Cost Containment	30%
Other Cost Containment Services	30%
Post-Payment Claims Review/Audit; Vendor Recoveries; Fraud and Abuse	

Prioritized Payment Services	30%
Intelligence Driven Payment Solutions	30%

**Reporting and Technology**

Employer Based Reporting	Included in administrative fee
Ad-hoc/custom reports	\$150 per hour with \$1,200 minimum
Regence.com	Included in administrative fee

Customized websites Dependent on customization

**Setup and Installation**

Plan set-up & installation Included in administrative fee  
 ID cards-standard Included in administrative fee  
 ID cards-custom Dependent on customization  
 Preparation of Summary Plan Document Included in administrative fee  
 Prepare Summary of Benefits & Coverage Included in administrative fee

**Administrative Services**

Client Audits \$150 per hour over Regence standard audit commitment

**IRO Appeals**

If Regence handles all levels of appeals, Plan Sponsor is responsible for reimbursing Regence for fees (at cost) related to a member's independent medical review organization (IRO) voluntary claims appeal.

**Drugs Under Medical Benefit**

Clinical Authorizations \$55 per Rx clinical prior authorization  
 Internal Clinical Appeals \$250 per appeal

**e) BlueCard Fees**

BlueCard Access and Surcharge Fees Billed as they occur  
 BlueCard Fees (BC Admin) Billed as they occur  
 Custom BlueCard Fees (BC PEPM) Billed as they occur

f) Plan sponsor will be billed by Regence for Value Based Programs as described within the Inter-Plan Programs Addendum.

g) Plan sponsor will be billed by Regence for other state tax fees as described within the State Tax Fees section of the agreement.

h) Plan sponsor is responsible for paying to the federal government other federal tax fees as described within the Federal Tax Fees section of the Agreement.

i) The fees shown on this ASC addendum are billed monthly by Regence with payment due within 10 days of the billing date.

**Pharmacy Discount & Dispensing Fee**

Type	Per Script Dispensing Fee	Network Discount AWP Minus
Retail Brand (1-82 days supply)	\$0.95	17.15%
Retail Brand (83-90 days supply)	\$0.00	20.65%
Retail Generic (1-82 days supply)	\$0.95	78.30%
Retail Generic (83-90 days supply)	\$0.00	82.30%
Mail Order Brand	\$0.00	20.65%
Mail Order Generic	\$0.00	82.30%
Specialty	\$0.00	19.00%

\*AWP = Average Wholesale Price

**Pharmacy Rebate Arrangement**

GHP shall receive per brand script of \$75.00 Retail / \$150.00 Retail90 (ESN) / \$275.00 Mail Order / \$1000.00 Specialty.

**Pharmacy Benefits Management Fees**

Administration Fees	Included	
Paper Claims	\$3	per claim
Rx Clinical Authorizations	\$55	per pre-auth determination
Adhoc Custom Reporting	\$150	per hour, with \$1,200 minimum
Third-Party Pharmacy Data Extracts	\$6,000	per data extract (upon termination of pharmacy coverage)
Internal Clinical Appeal (drugs under pharmacy benefit)	\$250	per appeal
External Clinical Appeal (drugs under pharmacy benefit)	\$350	per appeal

ePrescribe	Included	
Custom Communications Material	\$2.50	per letter

**Pharmacy Discounts and Rebate Terms and Conditions**

1. Members will pay the lower of the contracted rate, usual and customary (U&C), or their applicable copayment.
2. Network discounts are based on the actual NDC-11 dispensed.
3. Network discounts are based on Regence's book of business.
4. PBM pricing assumes 129 contracts and 455 members.
5. This quote assumes client does not have 340B pricing.
6. Proposed network discounts exclude foreign, immunization/vaccine, Veterans Affairs, and compound claims, coordination of benefits or secondary liability claims and 100% member-paid plans (i.e. discount cards).
7. Network discounts do not include savings from DUR or other clinical programs.
8. Pricing is based on adoption of the Regence's Standard Drug List and may be amended in the event there is a change in the drug list, implementation of new clinical programs, changes to the pharmacy benefit plan design, lock-out of drug classes, or unexpected generic launches.
9. Rebates are contingent upon adherence to the Regence's Standard Drug List, including associated utilization management.
10. Pricing is based upon the Regence's Broad (Standard) Network of 65,000+ pharmacies.
11. Rebates are earned on all eligible claims, regardless of days' supply and member contribution percentages.
12. Rebates exclude compounds, 340B claims, foreign claims, immunizations/vaccines, Veterans Affairs claims, coordination of benefits or secondary liability claims, 100% member-paid plans (i.e., discount cards), over-the-counter (OTC) products, biosimilars, Authorized Generics, limited distribution drugs, AB rated products incurring a MAC penalty, Brand claims priced at MAC, and Zero Balance Due claims.
13. For reconciliation purposes, Specialty network discounts exclude limited distribution drugs and any new specialty drugs brought to market and added to the specialty list during the term of the contract.
14. For pricing purposes, an Extended Supply Network (ESN) Claim is a Claim dispensed by a retail pharmacy within the Extended Supply Network.
15. Specialty rebates apply to brand drugs on the Specialty Premium List and filled through Regence's preferred specialty pharmacy. Specialty brand drugs on the Specialty Premium List that are filled at other pharmacies earn a rebate at the retail or mail rate, as applicable.
16. For rebate purposes, Extended Supply Network (ESN) Claim is a Claim dispensed by a retail pharmacy within the Extended Supply Network for a days' supply greater than or equal to eighty-one (81) days.
17. In the event the number of covered members or pharmacy claims volume varies by greater than 10% or an incomplete initial data submission was received, Regence's reserves the right to revise the pricing terms and financials accordingly.
18. Pricing is subject to change if any law, regulation, interpretation of a law or regulation, or any change within the pharmacy benefit management marketplace would lead to a deviation from the current economic environment.
19. For purposes of network discount calculations, a Brand is defined as an original patented product from a pharmaceutical company and bioequivalent successor product that is available from a limited number of manufacturers.
20. For purposes of network discount calculations Generics are all products not defined as a Brand.

**Does Regence prepare the Plan Sponsor's Summary Plan Description (SPD)?** Yes

**Runout Period**

The runout period is the 15 month period immediately following the termination of the Administrative Services Contract.

**Administrative Services Fee For Claims Incurred Prior To Termination and Paid During the Runout Period**

Plan Sponsor will pay a fee to Regence for its administrative services in the amount of 12% of paid claims costs during the claims runout period.

**Retirees**

Retirees Under Age 65 (and ineligible for Medicare)	not covered
Medicare Eligible Retirees (Parts A & B required if covered)	not covered

**ACCEPTANCE OF ADDENDUM**

IN WITNESS WHEREOF, the Parties, with intent to be legally bound, have cause this Agreement to be executed by respective authorized representatives on the dates indicated.

ACCEPTED:

**PLAN SPONSOR:  
SAN JUAN COUNTY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Regence BlueCross BlueShield of Utah**

By: David M Pankey  
Name: David M Pankey  
Title: Director of Underwriting  
Date: December 15, 2020

**GROUP HEALTH PLAN:  
SAN JUAN COUNTY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_